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P.O. Box 683  
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202-616-2885 (v)  
202-307-0054 (f)  
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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFFREY A. MARTINEZ, individually,  
and as Trustee of the Martinez Family Trust;  
DOLORES M. MARTINEZ, individually and  
as Trustee for the Martinez Family Trust;  
THE MARTINEZ FAMILY TRUST;  
MARTINEZ & ASSOCIATES, INC.  
(NV20041370692); MARTINEZ &  
ASSOCIATES INC. (NV20181033912);  
SIERRA MORTGAGE CORPORATION;  
FIDELITY NATIONAL TITLE; CHASE  
MORTGAGE COMPANY; JP MORGAN  
CHASE BANK NATIONAL  
ASSOCIATION; RHODES RANCH  
ASSOCIATION; and REPUBLIC SILVER  
STATE INC., DBA, REPUBLIC  
SERVICES,

Defendants.

Case No.: 2:19-cv-1986-GMN-DJA

**UNITED STATES' MOTION TO  
EXTEND STAY IN LIGHT OF  
ADDITIONAL ISSUES IN  
SETTLEMENT NEGOTIATIONS**

**(Fourth Request)**

1 The United States of America has made three requests for limited stays to facilitate  
2 settlement discussions with taxpayers Jeffrey and Dolores Martinez. The last request was for 14  
3 days, and ends on June 10, 2010. (*See* ECF No. 36 at 4). It has become clear that settlement is  
4 unlikely unless the Martinezes file certain tax returns that are not at issue in the suit, but that are  
5 currently delinquent. In the interests of facilitating a resolution, the United States respectfully  
6 asks for a stay of 60 days to provide time for the Martinezes to prepare the outstanding returns,  
7 and for the government to review them. If this motion is granted, the United States will inform  
8 the Court of the status of the negotiations within 60 days of the Court's order.

## 9 MEMORANDUM OF POINTS AND AUTHORITIES

### 10 *Background*

11 This is a federal tax case. The United States seeks a judgment against taxpayers Jeffrey  
12 and Dolores Martinez, and against two corporations associated with them, for various federal tax  
13 liabilities. The United States also seeks to foreclose its tax liens against certain real property to  
14 help satisfy the judgment.

15 The United States also named as defendants other parties that might assert a lien or other  
16 claim against the property, pursuant to 26 U.S.C. § 7403(b) ("Action to enforce lien or to subject  
17 property to payment of tax"). That way, those parties' claims to the property (if any) could be  
18 adjudicated if and when the Court determines that the property should be foreclosed. It is  
19 common in such cases for the United States to reach stipulations with other claimants as to lien  
20 priority, to the extent they do not disclaim any interest.

21 If the matter settles without a foreclosure, the other lienholders would not need to be paid  
22 out. In any event, to date only one of the potential lienholders, the Rhodes Ranch Association,  
23 has answered the complaint. (ECF No. 4).<sup>1</sup> Another, Fidelity National Title, has disclaimed any  
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25 <sup>1</sup> Counsel for the United States conferred with counsel for Rhodes Ranch Association by telephone on June 9, 2020, and the association does not oppose a continued stay.

1 interest. (*See* ECF No. 7). Defendants JP Morgan Chase Bank National Association and Chase  
2 Bank National Association (together, the “Chase defendants”), and the United States have  
3 reached a stipulation concerning lien priority as between them. (*See* ECF No. 20 (Order  
4 approving stipulation)). (The Chase defendants currently control the mortgage loan that was  
5 initially issued by defendant Sierra Mortgage Corporation). Defendant Republic Silver State Inc.  
6 has been served but has not yet appeared, and has not contacted the United States. Finally, the  
7 United States filed a notice of dismissal concerning defendants Nevada Mortgage Assistance  
8 Company and the Cooper Castle Law firm, and the Clerk has terminated them from the case.

9 The litigation would therefore focus on the Martinezes and their business. Neither of the  
10 Martinezes, or the corporations, have appeared. The United States served the Martinezes,  
11 individually and as representatives of their business, on December 27, 2019. Their time to  
12 respond to the complaint thus expired on January 17, 2020, under Fed. R. Civ. P. 12(a)(1)(A)(i).

13 Ordinarily the United States would be moving for an entry of default and a default  
14 judgment. However, the Martinezes have reached out to the undersigned counsel, and the parties  
15 are discussing a possible settlement. The Martinezes made an updated offer and provided certain  
16 financial information that the United States had requested. However, it has become clear that the  
17 United States cannot properly evaluate the offer, including the Martinezes’ ability to pay, unless  
18 and until the Martinezes submit certain tax returns that are currently outstanding.

19 The United States appreciates that it has requested three stays already. The United States  
20 is prepared to proceed with active litigation, including seeking entries of default, if the Court  
21 were to deny this request. However, the United States submits that extending the stay would  
22 likely facilitate the potential resolution, and may conserve both the parties’ and the Court’s  
23 resources. Under the circumstances, and given the Martinezes’ willingness to participate in the  
24 discussions, the United States continues to believe that the parties’ efforts are best focused on  
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1 settlement negotiations and related tasks, including the preparation and review of outstanding  
2 returns.

3 ***Request for Relief***

4 WHEREFORE, United States respectfully seeks to stay the matter for an additional 60  
5 days from the Court's order on this motion, to facilitate settlement discussions, with the United  
6 States to inform the Court regarding the case's status with 60 days of the order on this motion.  
7 The United States reserves the right to seek an entry of default or default judgment after 60 days  
8 if the negotiations do not resolve the matter.

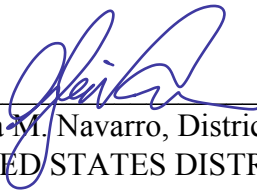
9  
10 Dated this 10th day of June, 2020.

11 RICHARD E. ZUCKERMAN  
12 Principal Deputy Assistant Attorney General

13 /s/ E. Carmen Ramirez  
14 E. CARMEN RAMIREZ  
15 Trial Attorney, Tax Division  
16 U.S. Department of Justice  
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22 western.taxcivil@usdoj.gov

17 **IT IS SO ORDERED.**

18 Dated this 29 day of June, 2020.

19  
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21   
22 Gloria M. Navarro, District Judge  
23 UNITED STATES DISTRICT COURT  
24  
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**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the foregoing is made this June 10, 2020, via the Court's ECF system to all current parties who have appeared electronically. In an abundance of caution, the United States is sending this motion to the persons listed below, via U.S. Mail. Due to in-office staffing limitations related to the Covid-19 pandemic, the mailing may be sent the next business day.

Jeffrey Martinez  
262 Cliff Valley Dr.  
Las Vegas, NV 89148

Dolores Martinez  
262 Cliff Valley Dr.  
Las Vegas, NV 89148

/s/ E. Carmen Ramirez  
E. CARMEN RAMIREZ  
Trial Attorney, Tax Division  
U.S. Department of Justice